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DE RUEHME #1259/01 0712248  
ZNR UUUUU ZZH  
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FM AMEMBASSY MEXICO  
TO RUEHC/SECSTATE WASHDC 5782  
INFO RUEHXC/ALL US CONSULATES IN MEXICO COLLECTIVE  
RUEHOT/AMEMBASSY OTTAWA 2278  
RUCPDO/DEPT OF COMMERCE WASHDC  
RHEBAAA/DEPT OF ENERGY WASHINGTON DC  
RUEATRS/DEPT OF TREASURY WASHDC

UNCLAS SECTION 01 OF 04 MEXICO 001259

SIPDIS

SENSITIVE  
SIPDIS

STATE FOR WHA/MEX, WHA/EPSC, EB/IFD/OMA  
STATE FOR EB/ESC MCMANUS AND IZZO  
STATE FOR WHA/CAN GSPROW  
USDOC FOR 4320/ITA/MAC/WH/ONAFITA/GWORD  
USDOC FOR ITS/TD/ENERGY DIVISION  
TREASURY FOR IA (ALICE FAIBISHENKO)  
DOE FOR INTERNATIONAL AFFAIRS KDEUTSCH, ALOCKWOOD, AND GWARD  
DOE FOR A/S HARBERT AND DAS PUMPHREY  
DOL FOR ILAB

E.O. 12958: N/A  
TAGS: [ENRG](#) [EPET](#) [ECON](#) [MX](#)  
SUBJECT: MEXICAN ENERGY OFFICIALS TALK BILATERAL  
COOPERATION WITH DOE

REF: A. 05 MEXICO 7037

[1](#)B. 05 MEXICO 6049

Sensitive but unclassified, entire text.

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Introduction and Summary  
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[1](#)1. (SBU) A Department of Energy (DOE) delegation and Mexican officials discussed areas for bilateral cooperation between the U.S. and the Calderon administration, as well as trilateral cooperation with Canada where applicable, including:

- Biofuels - exploring technologies and applications for biofuels, with the Mexicans particularly interested in cooperating on biodiesel;
- Energy Efficiency - continue standards harmonization and explore ways to assure greater implementation of energy efficiency measures and baselines for energy consumption;
- Nuclear Power - increase public acceptance and train nuclear engineers;
- Methane Hydrates - coordinate research;
- Interconnection - study rights-of-way issues for all areas of transit: wheels, wires, ships and pipelines to assure most efficient interconnection;
- Cross-border Fields - examine unitization and production sharing issues;
- Marginal Fields - explore ways to share U.S. technology to develop marginal fields in Mexico;

[1](#)2. (SBU) Assistant Secretary of Energy for Policy and International Affairs Karen Harbert and Deputy Assistant Secretary of Energy for International Cooperation David

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Pumphrey led a U.S. delegation in a series of meetings with Mexican energy officials on the margins of the eleventh meeting of the U.S.-Canada-Mexico North American Energy Working Group (NAEWG) (NAEWG meeting to be reported septel).  
End Introduction and Summary.

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Biofuels  
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13. (SBU) Assistant Secretary Harbert suggested it would be useful for the U.S. and Mexico to discuss ways to encourage utilization of biofuels and share research and technology for alternative fuels. More strategically, the U.S. was looking for ways to help the commercial interests of those working on alternatives through research and to explore market opportunities. Director General for Research and Development at the Mexican Energy Secretariat (SENER), Diego Arjona told the delegation that Mexico was developing a national biofuels policy, but he was not sanguine about Mexico becoming a significant biofuels producer. Brazil was self-sufficient in energy and an exporter of crops. The U.S. was an importer of energy, but an exporter of crops. Mexico, however, was an exporter of energy but an importer of crops. That fact alone would provide the most significant hurdle.

14. (SBU) Undersecretary for Energy Planning Jordy Herrera repeated his view (ref A) that while Mexico would develop ethanol as an alternative fuel, it would not be able to do so quickly. Herrera agreed that advances in production of cellulosic ethanol would be necessary before biofuels progressed beyond the trial stage in Mexico, because any technology that "requires people to choose between food and fuel" is not sustainable. Mexico would have more of an advantage in biodiesel development.

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\* Missing Section 002 \*  
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